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June 6, 2001

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VIA FACSIMILE AND 1<sup>ST</sup> CLASS MAIL

Chairman Karen Getman  
Commissioners Downey, Knox, Scott and Swanson  
Fair Political Practices Commission  
428 J Street, Suite 800  
Sacramento, CA 95814

Re: Reporting of Cumulative Amounts by Major Donor Committees and  
Independent Expenditure Committees

Dear Chairman Getman and Commissioners:

This letter concerns proposed emergency regulation 18421.4 and the proposed revisions to campaign disclosure Form 461 relating to reporting of cumulative contributions made by a major donor committee or by an independent expenditure committee to a candidate for a specific election. For the reasons set forth below, we urge the Commission to refrain from applying this requirement to major donor committees or independent expenditure committees, as defined in Government Code section 82013(b) and (c).

Unlike recipient committees, as defined in Government Code section 82013(a), an individual or entity qualifies as a major donor committee or independent expenditure committee based upon the making of campaign contributions or independent expenditures during a calendar year period. Gov't Code § 82013(b) and (c). For example, a corporation qualifies as a major donor committee only in those calendar years in which it makes contributions totaling \$10,000 or more in connection with California state or local elections. If a corporation qualifies as a major donor committee in 2001, it is required to file campaign reports (Form 461) for that calendar year, but its campaign disclosure obligations do not automatically continue into 2002 and subsequent calendar years. The corporation's campaign disclosure obligations for any subsequent calendar years are determined by the aggregate amount of contributions or independent expenditures it makes in each of those calendar years. If the corporation's campaign activity falls below the threshold for qualifying as a major donor committee or an independent expenditure committee in a specific calendar year, the corporation will not be required to disclose its campaign activities on Form 461 that year.



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Since the campaign reporting obligations of major donor committees and independent expenditure committees are based upon their activities over a single calendar year, the information in the reports does not include activities in prior calendar years. However, the proposal to require these committees to report cumulative contributions to candidates for each election would appear to require major donor committees and independent expenditure committees to include all contributions made to a candidate for a specific election, even if made in a prior calendar year.

For example, a corporation might contribute \$1,000 to an Assembly candidate in November 2001 for the primary election to be held March 5, 2002, and subsequently contribute another \$1,000 in January 2002 to that candidate for the same election. Requiring the corporation to cumulate these contributions on its Form 461 for calendar year 2002 would be a fundamental change in the campaign disclosure requirements for major donor and independent expenditure committees, inconsistent with a reporting requirement that is based on activity within a single calendar year.

Due to these problems, we ask the Commission to exclude major donor committees and independent expenditure committees from the requirements of proposed regulation 18421.4(a). This could be accomplished by the following revisions to subdivision (a) of the proposed regulation (changes shown in underscore):

18421.4. Reporting Cumulative Amounts.

- (a) When reporting cumulative amounts of contributions received or made as defined by Government Code section 82018 and pursuant to subdivisions (f), (g), (h), and (k) of Government Code section 84211, candidates and committees pursuant to subdivision (a) of Government Code section 82013 must also disclose the cumulative total(s) of contributions received or made for each election.



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Please do not hesitate to contact me if you have any questions concerning this letter.

Very truly yours,

A handwritten signature in cursive script, reading "Kathryn E. Donovan".

Kathryn E. Donovan

cc: Luisa Menchaca, Esq.  
Ms. Carla Wardlow